



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

SEP - 6 2007

Thomas Marcelle
Marcelle Law
2 E-Comm Square, 3rd Floor
Albany, New York 12207

RE: MUR 5750

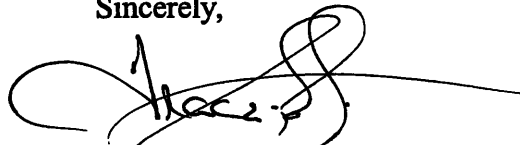
Dear Mr. Marcelle:

On August 28, 2007, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of a violation of 11 C.F.R. § 110.6(c)(2), which implements a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,



Tracey L. Ligon
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Laffey US Senate and Richard J. Sullivan, in his)
official capacity as Treasurer)

MUR 5750

CONCILIATION AGREEMENT

This matter originated with a complaint filed with the Federal Election Commission (the "Commission") by Chafee for Senate. The Commission found reason to believe that Laffey US Senate and Richard J. Sullivan, in his official capacity as Treasurer (collectively "Respondents"), violated 11 C.F.R. § 110.6(c)(2) by failing to identify the conduit of certain contributions in its disclosure reports.

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding.

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Laffey US Senate is the authorized campaign committee for Stephen Laffey, who ran in the Rhode Island 2006 Primary Election for Senate.
2. Richard J. Sullivan is the treasurer of Laffey US Senate.

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3. Laffey US Senate is a political committee within the meaning of 2 U.S.C. § 431(6).

4. The Federal Election Campaign Act of 1971, as amended, ("the Act") requires political committees, through their treasurers, to file complete and accurate reports with the Commission. 2 U.S.C. § 434.

5. "Earmarked" means a designation, instruction, or encumbrance, whether direct or indirect, express or implied, oral or written, which results in all or any part of a contribution being made to a clearly identified candidate or a candidate's authorized committee. 11 C.F.R. § 110.6(b)(1).

6. The recipient candidate or authorized committee shall report each conduit or intermediary who forwards one or more earmarked contributions which in the aggregate exceed \$200 in any calendar year. 11 C.F.R. § 110.6(c)(2)(i).

7. The report by the recipient candidate or authorized committee shall contain the following information:

- a. the identification of the conduit;
- b. the total amount of earmarked contributions received from the conduit and the date of receipt; and
- c. the information required under 11 C.F.R. § 104.3(a)(3) and (4) for each earmarked contribution which in the aggregate exceeds \$200 in any calendar year.

8. Laffey US Senate received \$356,378 in earmarked contributions from Citizens Club for Growth. In the Laffey committee's 2005 Year End and 2006 April Quarterly reports, Laffey US Senate reported the individual contributors' names and other required

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contributor information, but the disclosure reports did not identify the contributions as having been made through Citizens Club For Growth as the conduit.

9. After receiving notice of the complaint in this matter, Laffey US Senate amended its 2005 Year End and 2006 April Quarterly Reports to disclose that it had received \$366,378 in earmarked contributions from Citizens Club For Growth.

V. Respondents failed to identify Citizens Club for Growth as the conduit for \$366,378 in earmarked contributions in violation of 11 C.F.R. § 110.6(c)(2).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Twenty-Five Thousand Dollars (\$25,000), pursuant to 2 U.S.C. § 437g(a)(5)(B).

VII. Respondents will cease and desist from further violation of 11 C.F.R. § 110.6(c)(2) by failing to identify the source of any conduit contributions.

VIII. To the extent they have not already done so, Respondents will amend the FEC reports affected by the activities described herein.

IX. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement hereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

X. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

XI. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.


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XII. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Thomasenia P. Duncan
General Counsel

BY:



Ann Marie Terzaken
Acting Associate General Counsel
for Enforcement

Date

9/6/07

FOR THE RESPONDENTS:

BY:


Name

Date

8-22-07

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